

## Stay Calm, Keep Focus on Fundraising in Uncertain Times

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With the market swinging at dizzying rates and an array of alarming headlines in the news, it's important, now more than ever, to stay calm and keep our focus on our annual and major gift fundraising work during these last months of the year.

You don't want to seem like Nero, fiddling while Rome burned, by pushing forward blithely with solicitations and seemingly little regard to the current crisis. At the same time, it's critical to keep in mind that we must exercise our fiduciary responsibility to move worthy projects forward in order to meet the very real human needs that we work daily to address in the nonprofit sector.

Here are some things you can do now to position yourself for a stronger year-end and continued campaign success:

### **1. Arm yourself with resources . . . and use them to educate yourself, your volunteers and your donors.**

While most of us aren't comfortable giving investment advice or market prognostications, we can do a few things to help educate ourselves, our volunteers and our donors about the current economy, perspectives on the market, and how economic downturns have impacted giving in the past. Look to authoritative sources with analysis from both sides. A recent special report in *Money Magazine* ("[What this economy means for you](#)," **October 8, 2008**), provides a thorough look at the state of the economy and its implications.

Seek to tap resources you have within your own organization. Most of us have bankers, financial advisors, or investment advisors within our leadership or donor base. Ask them to provide independent analysis that you can share with volunteers and donors.

### **2. Offer reassurance.**

While we can't predict with certainty when things will improve, experts generally agree that the market will rebound some time in the first half of 2009. According to Standard & Poor's, history shows that the market makes a relatively quick recovery: equities typically recoup a third of what they lost in a bear market in the first 40 days of a new bull market. A study by Ned Davis Research shows that Standard & Poor's 500 Composite Index tended to bounce back quickly after bottoming-out during the past 10 recessions. The index generated a 24 percent mean return six months after bottoming, and 32 percent a year later.

Understand, too, that recessions occur about every five to 10 years, but the impact on giving has been slight. During the five national recessions since 1974, giving was down an average of about 1 percent. However, giving has gone up around 4.3 percent during non-recessionary years. A recent report by the Giving USA Foundation, "*Spotlight: Giving in Recessions and Economic Slowdowns*," offers a historical look at how different sectors of philanthropy have fared during recessions going back to 1969.

### **3. Get back to fundamentals.**

It's now more important than ever to patiently focus on cultivation and conversations about your mission, your core programs and needs, and what you plan to accomplish with donor investment. Best fundraising practice tells us that success comes from deepened donor relationships. Use this time to build such relationships by slowing down the solicitation process and really talking with donors about their interests, desires, concerns and questions.

#### **4. Don't fear putting forth your need.**

All thinking on fundraising says that you do not pull back on your efforts during hard economic times, but rather you should underscore your need and your project's importance to your donors as your closest allies. While you should be respectful and listen to understand donors' concerns, you should not assume that all donors cannot, or will not, support your cause or project.

#### **5. Be respectful and empathetic.**

In conversations with donors, acknowledge their concerns and ask if it's a good time to talk to them about a gift. Anticipate that they may have concerns about their own situations or those of others around them. Put yourself in your donors' shoes and meet them on their own terms.

#### **6. Communicate, communicate, communicate.**

Remember that current donors also have questions. Be certain to update them on your plans, progress and your fundraising strategies. This is good stewardship and will boost confidence in the overall success of your campaign or project.

#### **7. Know your business.**

Take a good, hard look at your financials and your needs through the end of the year and into 2009. Be prepared to provide clear, concise answers. If you are working on a capital project, talk with your business partners to learn what the current state of the economy means to the project. Give solid reasons to donors as to why you are moving forward with your campaign. Remember, during times like these, need does not go away - it may actually increase.